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## Federal Education Spending: What Is Spent and Where the Money Goes

### *Frequently Asked Questions*

#### WHAT IS SPENT

##### **REVENUES FOR EDUCATION**

*Q. How much money was collected for education in School Year (SY) 1995-1996?*

A. In SY 1995-96, almost \$288 billion were collected for public elementary and secondary education in the 50 states and the District of Columbia. This means an increase of an average of 5.3 percent over the previous year's revenues.

*Q. Where did this money come from?*

A. Most revenues came from state, intermediate, and local governments, which provided 93.4 percent of all revenues.

*Q. What proportions were contributed by local, state, and federal dollars?*

A. Local and intermediate sources contributed nearly 46 cents of every dollar in revenue; state revenues contributed 47 cents; and 7 cents came from federal sources.

##### **EXPENDITURES FOR EDUCATION**

*Q. What was spent for public education in SY 1995-96?*

A. Over \$255 billion were spent for public education in SY 1995-96. This is a 2.7 percent increase over the previous year's expenditures.

*Q. How much money is spent per student?*

A. An average of \$5,689 was spent for every pupil in membership in the 50 states and the District of Colombia in SY 1995-1996. About \$3,512 was spent for instructional services for every student, \$1,922 for support services, and \$255 for non-instructional purposes.

*What was this money spent on?*

- A. • **Sixty two** cents out of every dollar was spent on instructional expenditures. This includes things such as teachers' salaries and benefits, supplies, and purchased services.
- **Thirty four** cents went for support services which includes operation and maintenance of buildings, school administration, transportation, and other student and school support activities.
  - Non-instructional activities such as school meals and enterprise activities such as bookstores took about **four** cents of every dollar.

*Which are the highest and lowest spending states?*

A. The states are as follows:

	States over \$8,000	Spending
1	New Jersey	\$9,361
2	District of Colombia	\$8,510
3	Connecticut	\$8,430
4	New York	\$8,361
5	Alaska	\$8,189

	States under \$4,000	Spending
50	Mississippi	\$3,951
51	Utah	\$3,604

## WHERE THE MONEY GOES

### TOTAL FEDERAL GOVERNMENT SPENDING

In 1997, the federal government spent a total of \$100.5 billion on education. Only a fraction of this money goes to schools. Some will go to state agencies, some to colleges or other institutes of higher learning. Out of all of the money spent on education, \$21.2 billion went to local education agencies to be used for elementary and secondary education. **This means that 21.1 percent of all federal education dollars are spent on children in elementary and secondary schools.**

### Federal support for education, by level and type of ultimate recipient

(Amounts in billions of current dollars)

Year and level	Ultimate recipient							
	Total	LEA	SEA	College Students	IHE	FED	Multiple types	Other
<b>1980 total</b>	<b>\$39.3</b>	<b>\$10.9</b>	<b>\$1.4</b>	<b>\$9.1</b>	<b>\$11.2</b>	<b>\$1.4</b>	<b>\$2.5</b>	<b>\$2.8</b>
Elementary and secondary	16.0	10.9	0.9	1.6	*	0.7	1.9	*
Postsecondary	11.1	-	0.1	5.4	3.8	0.2	0.3	1.3
Research	5.8	-	-	-	5.8	-	-	-
Other	6.4	*	0.4	2.1	1.6	0.5	0.3	1.4
<b>1990 total</b>	<b>62.8</b>	<b>13.9</b>	<b>3.3</b>	<b>10.5</b>	<b>20.4</b>	<b>2.4</b>	<b>5.5</b>	<b>6.7</b>
Elementary and secondary	22.0	13.9	1.2	0.7	0.1	1.4	4.5	0.1
Postsecondary	13.7	-	0.3	4.9	4.0	0.2	0.6	3.7
Research	12.6	-	-	-	12.6	-	-	-
Other	14.6	*	1.7	4.9	3.7	0.8	0.4	3.0
<b>1997 total</b>	<b>100.5</b>	<b>21.2</b>	<b>5.3</b>	<b>19.5</b>	<b>31.3</b>	<b>3.2</b>	<b>11.3</b>	<b>8.6</b>
Elementary and secondary	36.6	21.2	2.5	1.1	0.2	1.9	9.7	*
Postsecondary	15.4	-	0.1	6.9	5.3	0.2	0.6	2.3
Research	15.9	-	-	-	15.9	-	-	-
Other	32.5	*	2.8	11.5	10.0	1.1	1.0	6.3

\* \$50 million or less.

- Not applicable.

1997 numbers are estimated.

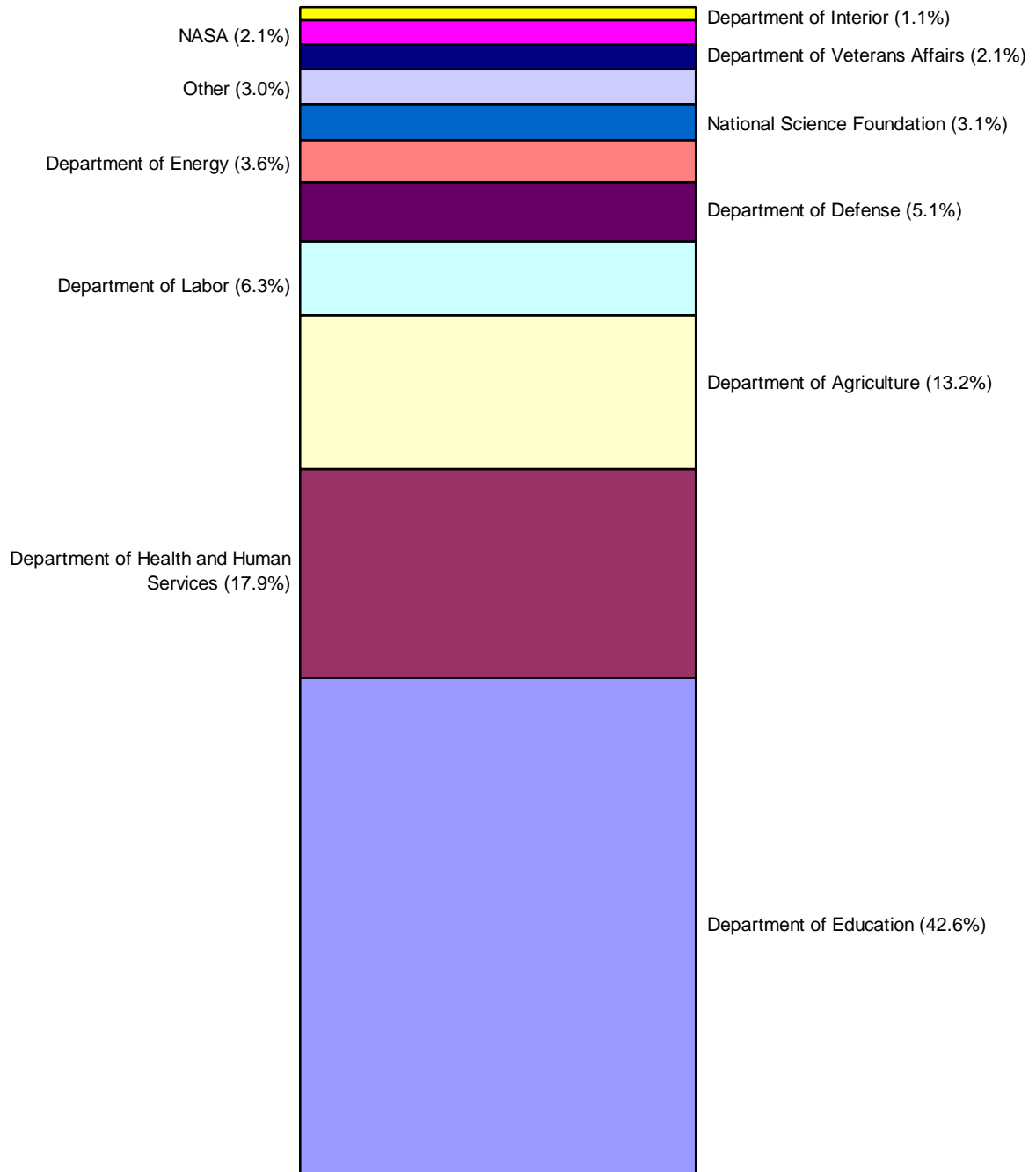
#### Key to the tables:

LEA .....Local Education Agency  
SEA .....State Education Agency  
IHE .....Institutes of Higher Learning  
FED .....Federal  
Multiple types.....Includes more than one of the other groups in the table  
Other.....Anything not included in one of the other groups in the table

# Federal on-budget funds for education, by agency:

Fiscal Year 1997

Total = \$73.1 billion



### **U.S. DEPARTMENT OF EDUCATION SPENDING**

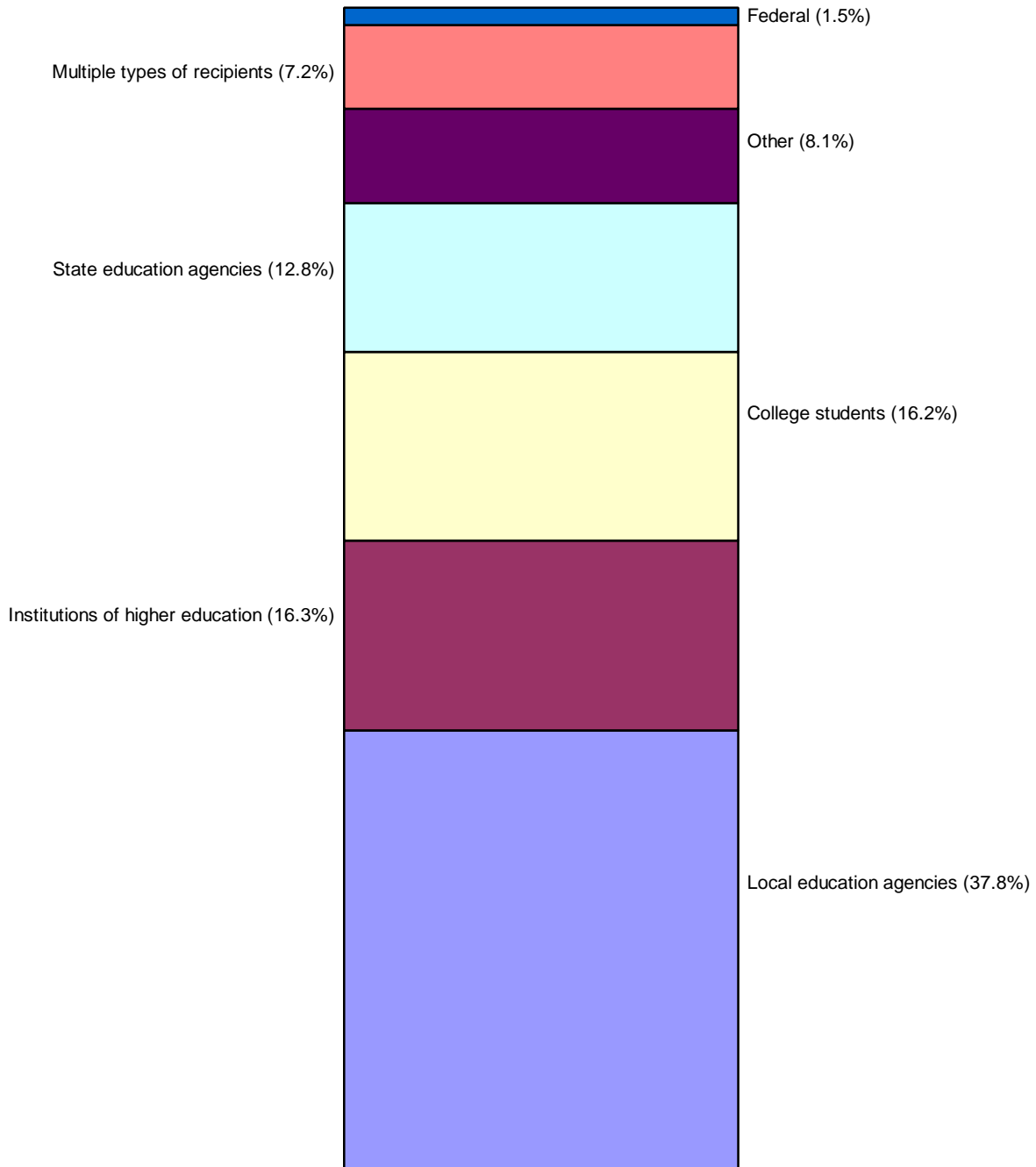
Of the \$100.5 billion spent in FY 1997 for education, \$31.1 billion was spent by the U.S. Department of Education. Of that amount, \$11.7 billion was spent on elementary and secondary education at the local level. This means that **37.8 percent of the Department's budget goes to the local level for K-12 education.**

#### **U.S. Department of Education outlays, by level of education and type of recipient** (In millions of dollars)

Year and area of education	Total	LEA	SEA	College Students	IHE	FED	Multiple types	Other
<b>1997 total</b>	<b>31,104.3</b>	<b>11,757.7</b>	<b>3,968.2</b>	<b>5,051.2</b>	<b>5,078.7</b>	<b>472.6</b>	<b>2,244.7</b>	<b>2,531.4</b>
Elementary and secondary	15,663.1	11,748.9	1,757.8	171.3	161.7	58.3	1,725.7	39.4
Postsecondary education	11,735.3	-	48.6	4,879.9	4,504.1	-	-	2,302.8
Other programs	3,293.0	8.8	2,161.8	-	-	414.3	519.0	189.2
Education Research and Statistics	412.9	-	-	-	412.9	-	-	-

- Data are not available or not applicable.

Department of Education outlays, by type of recipient:  
Fiscal Year 1997  
Total = \$31.1 billion



## ***DOLLARS TO THE CLASSROOM***

A recent study found that for every tax dollar sent to Washington for elementary and secondary education, eighty-five cents is returned to local school districts. The remaining 15 cents is spent on bureaucracy and national and research programs of unknown effectiveness. The Department of Education has since released a study, which also found that about 85 cents of federal dollars reaches school districts for use in the classroom. Although these studies provided information not previously available on federal education spending, they only examined what was returned to school districts, still several layers of bureaucracy away from the classroom.

To date, no studies exist to enable us to determine what portion of federal education dollars reach the classroom, or what schools and state education agencies must spend to apply for education dollars and comply with their requirements. However, audits of school district spending indicate just how little in general reaches the classroom. A recent audit of the New York City School District found that only 43 percent of the district's total funds were spent on direct classroom expenditures.

### **SOURCES**

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